

RECORDATION NO. 24869-D FILED

FEB 15 '05 12:36 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

February 15, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Commercial Security Agreement, dated as of January 24, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Schedule #2 to Full Service Master Lease Agreement which is being filed with the Board under Recordation Number 24869-C.

The names and addresses of the parties to the enclosed document are:

Secured Party: First Mid-Illinois Bank and Trust
12616 State Route 143
Highland, Illinois 62249

Debtor: Midwest Railcar Corporation
3 Professional Park Drive, Suite B
Maryville, Illinois 62062

Mr. Vernon A. Williams
February 15, 2005
Page 2

A description of the railroad equipment covered by the enclosed document
is:

28 boxcars: DME 5728 - DME 5755.

A short summary of the document to appear in the index is:

Memorandum of Commercial Security Agreement.

Also enclosed is a check in the amount of \$32.00 payable to the order of
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the
undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/anm
Enclosures

RECORDATION NO. 24869-15 FILED

FEB 15 '05 12:36 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

dated January 24, 2005

by and between

**MIDWEST RAILCAR CORPORATION,
as Debtor**

and

**FIRST MID-ILLINOIS BANK & TRUST, NA
as Secured Party**

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

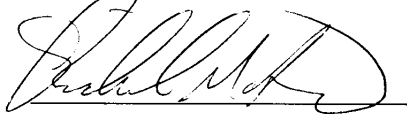
THIS MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT (this "Memorandum") is made this 24th day of January, 2005, by and between **MIDWEST RAILCAR CORPORATION**, an Illinois corporation ("Borrower"), and **FIRST MID-ILLINOIS BANK AND TRUST, NA**, a state-chartered Federal Reserve Member bank organized under the laws of the State of Illinois ("Bank").

- A. The Borrower and the Bank are parties to that certain Loan Agreement dated as of January 24, 2005 (collectively, the "Loan Agreement"), pursuant to which the Bank agreed to make to the Borrower the loans described in the Agreement.
- B. To secure the Borrower's Obligations (as defined in the Loan Agreement) to the Bank, the Borrower executed and delivered to the Bank a Commercial Security Agreement dated as of January 24, 2005, pursuant to which the Borrower granted to the Bank a continuing, first priority security interest in and to, and lien on, the following collateral:
 - (a) Twenty-Eight (28) 60 ft., 100-ton, boxcars described on Exhibit A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;
 - (b) All improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;
 - (c) All logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;
 - (d) All rights, claims and causes of action, if any, which the Borrower may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;
 - (e) Any agreement now or hereafter entered into for leasing the Railcars to any third party, including, without limitation, Schedule #2 dated November 11, 2003, to the Full Service Master Lease Agreement dated November 11, 2003 between the borrower and Dakota, Minnesota & Eastern Railroad, and the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;
 - (f) All rent, damages and other moneys from time to time payable to or receivable by the Borrower in respect of the Railcars;
 - (g) All proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WITNESS:

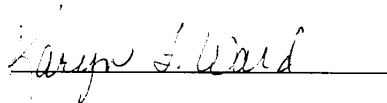


MIDWEST RAILCAR CORPORATION

By: 
Richard M. Murphy, III, President

WITNESS:

FIRST MID-ILLINOIS BANK AND TRUST, NA



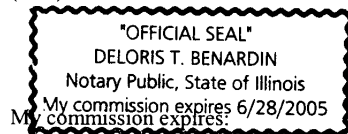
By: 
Gordon D. Smith, Community Bank President

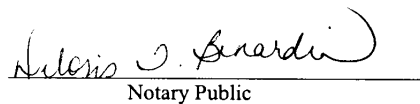
STATE OF Illinois, County of Madison of Illinois

On this 24th day of January, 2005, before me, a Notary Public of the County and State aforesaid, personally appeared Richard M. Murphy, III, to me personally known, who being by me duly sworn, says that he is the President of Midwest Railcar Corporation, an Illinois corporation, that the seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and the acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal

(Seal)




Notary Public

STATE OF ILLINOIS, County of Madison

On this 24th day of January, 2005, before me, a Notary Public of the County and State aforesaid, personally appeared Gordon D. Smith, to me personally known, who being by me duly sworn, says that he is a Community Bank President of FIRST MID-ILLINOIS BANK AND TRUST, NA, that the seal affixed to the foregoing instrument is the seal of First Mid-Illinois Bank and Trust, NA, that said instrument was signed and sealed on behalf of First Mid-Illinois Bank and Trust, NA by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of First Mid-Illinois Bank and Trust, NA.

AS WITNESS my hand and notarial seal

(Seal)



My commission expires:

Kristin Schmidt
Notary Public

EXHIBIT "A"

DESCRIPTION OF RAILCARS

Twenty-Eight (28) boxcars bearing reporting marks as follows:

DME 5728-5755, Inclusive